WHAT IS CLAIMED IS:

1. A method of fabricating an optical element comprising:

depositing a multi-layer stack comprising alternating layers of first and second materials on a surface of a substrate wherein the two materials are selected to provide relative etch selectivity;

forming a resist layer on top of the stack;

patterning the resist layer and developing said resist layer to uncover one or more regions of the stack;

plasma etching said one or more uncovered regions of the stack to remove at least part of one layer of the stack to form a relief profile; and

depositing a film on the relief profile.

- 2. A method according to claim 1, wherein after the etching, remaining resist is removed and the forming, patterning and etching are repeated a plurality of times before the depositing.
- 3. A method according to claim 1, wherein the optical element is a fresnel type lens.
- 4. A method according to claim 1, wherein the film is a reflecting film.
- 5. A method according to claim 4, wherein the reflecting film is selected from the group consisting of a Bragg reflector and a protective layer.
- 6. A lithographic projection apparatus comprising:
 - a radiation system for providing a projection beam of radiation;
- a support structure for supporting patterning structure, the patterning structure adapted to pattern the projection beam according to a desired pattern;
 - a substrate table for holding a substrate;
- a projection system that projects the patterned beam onto a target portion of the substrate; and

an optical element fabricated by a method according to claim 1 operationally associated with at least one of the radiation system and the projection system.

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7. An optical element comprising:

a multi-layer stack having alternating layers of first and second materials, and being plasma etched to form a diffraction pattern defined by a relief profile; and

a film on the relief profile,

wherein the relief profile has at least one wall that forms an angle of more than 90° with an adjacent floor.

- 8. An element as in claim 7, wherein the film is a reflective multilayer stack.
- 9. An element as in claim 8, wherein the stack comprises molybdenum and one of silicon and beryllium.
- 10. An element as in claim 7, wherein the first material is Si and the second layer is SiO_2 .